



Hon. Robert T. Matsui

Member of Congress

Robert T. Matsui

Serving California's 5th District

www.house.gov/matsui/

FOR IMMEDIATE RELEASE

Tuesday, July 23, 2002

CONTACT: CODY HARRIS

(202) 225-7163/(202) 225-0564

SUPPORT FOR SOCIAL SECURITY PRIVATIZATION COLLAPSING

WASHINGTON, DC-Recent polls and news stories confirm that recent stock market turmoil and investor anxiety are taking a severe toll on support for proposals to privatize Social Security. According to today's Wall Street Journal, a recent Wall Street Journal/NBC poll showed that 55% of Americans oppose partial privatization, compared to 41% who support the idea. These numbers are only the latest in a continuing decline in support for privatization.

"At a time when investors across the nation are losing faith in the stock market, the Bush Administration and Congressional Republicans continue the mad drive for Social Security privatization," said Ways and Means Social Security Subcommittee Ranking Member Robert Matsui (D-CA). "Republicans are telling Americans that it's a good idea to throw their Social Security benefits into the stock market and hope for the best. The dangerous risks of Social Security privatization are no longer theoretical. With each passing day and each corporate scandal, we can watch how workers' benefits would plummet if Social Security was privatized."

A recent report by the Center for Economic and Policy Research revealed that if 2 percentage points of payroll contributions (which translates to 16% of Social Security revenue) had been diverted into private accounts in 1998, American workers would have lost \$31 billion as of June 30, 2002. This number is now quite understated, since the Dow has fallen more than 1,325 points since June 30.

President Bush made comments yesterday that seemed to reveal his doubt in the stock market. In Illinois, the President said, "I'm not a stock broker. I'm not a stock picker. My attitude on Wall Street is they'll buy you or sell you depending upon if it's in their interest...But look, you're talking to the wrong guy about what stocks to buy." Rep. Matsui highlighted the incongruity between the president's skepticism of the stock market and his desire to invest Americans' Social Security funds in it. "Most Americans are neither professional stockbrokers nor expert stock pickers," responded Matsui. "But Social Security benefits ought to be there regardless of whether or not it's in Wall Street's interest."

The Cato Institute touted a poll today that they claimed showed high levels of support for privatization, even though the poll's results were wildly off the mark when compared to other surveys, including today's NBC poll. Generically phrased questions that pose no trade-offs often result in inflated support numbers. Also, the Dow has fallen an additional 900 points since the Cato survey and its release. Commenting on the Cato/Zogby poll, Matsui said, "If the Cato Institute or their Republican allies in Congress really believe their own poll, they should bring this issue up and put it before the voters prior to the November election."

###